

Performance Measurement

PERFORMANCE MEASUREMENT CAN:

1—Enhance Accountability—

Performance criteria allow decision makers and citizens to fully gauge the effectiveness of government programs.

2—Improve service delivery—

Performance results can aid in determining whether public programs and policies are effective.

3—Return on Investment—

Information can provide an assessment of the level of goods and services that can be bought with given resources.

4—Inform Citizens—Can be used to explain to the public what is being done with their tax dollars.

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Legislative Finance Committee Performance Measurement Initiative

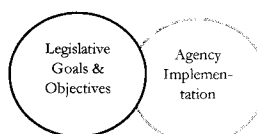
During the 2007 & 2009 interims the Legislative Finance Committee (LFC) directed the staff of the Legislative Fiscal Division (LFD) to develop a number of performance management tools to provide options to the legislature to incorporate performance measurement into the budget process.

The legislature establishes policy and fiscal guidelines that may or may not be adequately articulated in HB 2 or statute. When the goal of the legislature is not clear, debates arise regarding what the legislature intended to do.

Using the appropriate performance tools may assist in mitigating the number of debates that arise over intent. The tools will increase the ability of the agencies to effectively implement legislative goals and objectives.

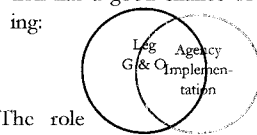
Think of it as two circles that need to line up and overlap. Depending on the success of policy implementation the legislative goals and

and actual implementation may line up like this:



By changing

the way legislative intent is articulated through HB 2 or other bills, alignment of goals and implementation has a good chance of improving:



The role of leaders is to set direction. To do this they must ask and answer:

- As a state, where do we want to go?
- How are we going to get there?
- What resources are needed?

Ask the questions, apply the tools, measure success and ask again. Once around the circle and a basic performance management system has been created.

Goals, Objectives & Statutes

later date if the agency has succeeded.

The goals and objective provide the framework of the agencies strategic plans. They should tell you what they agencies priorities are and how they intend to meet those priorities.

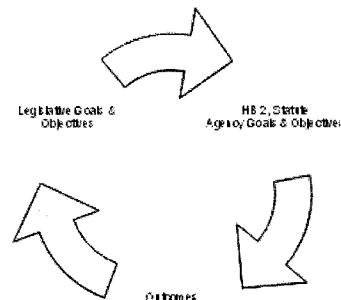
This information can provide the legislature a starting point for:

- Budget deliberations

- Policy decisions that expand state government operations
- Policy decisions that create new programs.

Where are they? By statute they are required to be posted on the web! Or ask a staffer to get them for you.

For those on appropriations, the G&O highlights will be in the budget book.





What can we do to help?

There is some fear that a performance measurement function will only punish those that do not meet their goals. That makes one of the challenges constant communication about the intent. It increases the need to learn the story behind the numbers.

Some of this can be eased by asking the question what can we do to help?? You may find the answer is simple, slight change in statute, different type of appropriation, more time, assistance with the obstacles or just an understanding that the unexpected occurred.

Staffers often hear "That is not what they told us they would do!" from legislators. Using performance measurement principles, asking the who, what where and why may provide the answer to why the path was changed or why the results weren't met.

Rest assured, there may come a day when the indicators tell you a program is not working and the tough decision will need to be made. Until then: ask and ask some more.

Simple Steps:

Set a goal

Determine the objectives

Monitor Progress

Have a conversation

Repeat the last two as needed

Performance Based Questioning?

Performance based questioning is designed to drill down to find out what is driving the program to be successful or not, determine if strategic planning has occurred, or determine resource levels. The questions are used to start the conversation about where a program has been and where it needs to go?

What are the program's mission and goals?

- How often does the program set or re-set goals?
- When is your strategic plan done?

What outcomes are expected from the use of taxpayers' funds

- How would outcomes change if the funding increased by 5 percent?
- How would outcomes change if the funding decreased by 5 percent?
- What is the largest cost driver in this program? Why?
- What citizen population are you serving?

What performance indicators are used to track progress towards expected outcomes?

- Who monitors the performance indicators?
- How often are performance indicators monitored?
- How are performance indicators used in management decision making?
- What were the outcomes in the last two completed fiscal years?
- How did the actual outcomes compare to the targets?
- How did the actual outcomes compare to last year or the year before?
- Were outcomes unexpectedly good or bad?
- Were there any unintended consequences identified?
- How do these outcomes compare to other states or similar state programs?
- Was there any early indication of outcomes that could have been used to change the course of the program?

What is the plan to get the program back on track?

- What would it mean to do a better job?
- Do you have low cost or no cost options?
- What resources do you need?
- Is statute prohibiting success?
- Which groups of citizens would benefit? Or not?

What is the plan to sustain success?

- Is there a point of diminishing returns?
- Could resources be moved elsewhere and still maintain program success?
- Is there a point when this program is no longer needed?

Who are your partners in this program?

- What are their recommendations?
- What is their definition of success?